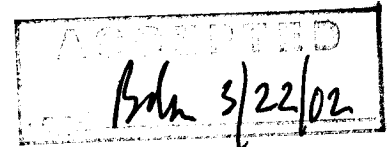




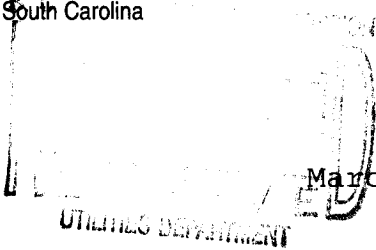
Post Office Box 752
Columbia, South Carolina 29202-0752
Telephone: 803/401-2900
Fax: 803/254-1731
E-mail: caroline.watson@bellsouth.com
IPager: cwatson2@imcingular.com

Caroline N. Watson
General Counsel - South Carolina



Street Address:
1600 Williams Street, Suite 5200
Columbia, South Carolina 29201

129680



March 22, 2002

The Honorable Gary E. Walsh
Executive Director
Public Service Commission of SC
Post Office Drawer 11649
Columbia, South Carolina 29211

Hand delivered

SC PUBLIC SERVICE
COMMISSION

2002 MAR 22 PM 2:23

RECEIVED

Re: Application of BellSouth Telecommunications, Inc. to
Provide In-Region InterLATA Services Pursuant to
Section 271 of the Telecommunications Act of 1996
Docket No. 2001-209-C

Dear Mr. Walsh:

Enclosed please find for filing an original and 15 copies
of BellSouth's Response to Petition for Rehearing or
Reconsideration of SCCTA. By copy of this letter, I am serving
all parties of record with a copy of this pleading as indicated
on the attached Certificate of Service.

Sincerely,

Caroline N. Watson

CNW/nml
Enclosure
cc: All Parties of Record

BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In Re: Application of BellSouth
Telecommunications, Inc. To Provide
In-Region InterLATA Services Pursuant
Section 271 of the Telecommunications
Act of 1996)
)
)
)
)

DOCKET NO.
2001-209-C

SC PUBLIC SERVICE
COMMISSION

2002 MAR 22 PM 2:23

RECEIVED

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE TO PETITION
FOR REHEARING OR RECONSIDERATION OF SCCTA**

BellSouth Telecommunications, Inc. ("BellSouth") hereby files its Response to the Petition for Rehearing or Reconsideration of SCCTA and states as follows:

It appears, although it is far from clear, that SCCTA is complaining about three things: (1) the Commission's holding that the penalty plan is voluntary; (2) the structure of the penalty plan; and (3) an alleged omission by the Commission about the incorporation of the IPP into BellSouth interconnection agreements. Each of these concerns is easily addressed.

First, in the Section 271 case, BellSouth took the position that it is not appropriate for a state commission to order BellSouth to implement a self-executing remedy plan without BellSouth's consent because enforcement mechanisms are not required by the Act or by any FCC rule. To the extent that any breach of contract issue should arise, there are perfectly adequate state laws and regulatory authority procedures available to address such situations. BellSouth's SQMs are fully enforceable through regulatory authority complaints in the event of BellSouth's failure to meet such measurements. In addition, in the ITC DeltaCom arbitration case, Docket No. 1999-690, dated October 4, 1999, the

Commission ruled: "This Commission has previously found in this order as well as in a previous arbitration order (See Order No. 97-189, Docket No. 96-358-C, March 10, 1997, at 10) that it lacks jurisdiction to impose penalties."

Once BellSouth proposed a penalty plan, however, BellSouth agreed that the Commission could adopt the plan as being consistent with the public interest and enforce the penalty plan as proposed in South Carolina.

The Commission's decision is consistent with each of these things. The Commission recognized the voluntary nature of the penalty plan and BellSouth's right to modify the plan. The Commission did not, however, abdicate all involvement in the plan as SCCTA implies. The Commission specifically stated that the changes proposed by BellSouth would be "subject to Commission approval" and the Commission retained the right to propose changes to the plan.

Moreover, the Commission ordered BellSouth to incorporate the IPP into BellSouth's Statement of Generally Available Terms and Conditions ("SGAT"). As SCCTA should be aware, BellSouth's SGAT contains legally binding terms and conditions pursuant to which BellSouth must provide local service in South Carolina. Thus, when BellSouth's files its SGAT and the penalty plan becomes effective, BellSouth will be obligated to comply with the IPP.

SCCTA also seems to raise a concern about the structure of the penalty plan. As the record made clear, and as the Commission noted, the IPP is designed as an incentive to BellSouth to maintain high performance and prevent backsliding after Section 271 relief. It is not designed to compensate any particular CLEC for specific harms incurred. To attempt to create a penalty plan

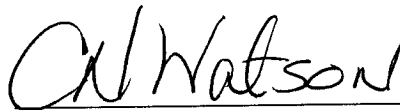
that compensates CLECs for actual harm would defeat the purpose of a streamlined self-effectuating plan in that every BellSouth miss would need to be examined by the parties so that the harm could be determined. Moreover, as discussed above, there is no need to modify the structure of the IPP to make it enforceable. Pursuant to the Commission's Order, the IPP will be part of the SGAT, and thus will constitute a legally binding obligation on BellSouth.

Third, SCCTA complains that the Commission did not opine on the applicability of the IPP to CLECs with interconnection agreements. This concern also is not valid. Any South Carolina CLEC can amend its interconnection agreement to incorporate the IPP attachment of the SGAT without adopting the entire SGAT. Thus, it is available to all CLECs. Moreover, for those CLECs operating in South Carolina who have current interconnection agreements that specify that the parties will use the penalty plan adopted by the state commission in the state in which the CLEC is operating, the IPP would be that plan. Thus, every CLEC who has an interconnection agreement with BellSouth in South Carolina has the opportunity to avail itself of the IPP.

For these reasons, BellSouth respectfully requests that the Petition be denied.

This 22nd day of March, 2002.

BELLSOUTH TELECOMMUNICATIONS, INC.

A handwritten signature in cursive script, reading "Caroline N. Watson", written in dark ink. The signature is positioned above a horizontal line.

Caroline N. Watson
BellSouth Telecommunications, Inc.
Suite 5200 - 1600 Williams Street
Columbia, South Carolina 29201
(803) 401-2900

Fred J. McCallum, Jr.
Lisa S. Foshee
BellSouth Telecommunications, Inc.
Suite 4300 – BellSouth Center
675 West Peachtree St., N.E.
Atlanta, Georgia 30375
(404) 335-0729

William F. Austin
AUSTIN, LEWIS & ROGERS
Post Office Box 11716
Columbia, South Carolina 29211
(803) 256-4000

ATTORNEYS FOR BELL SOUTH

RECEIVED

2002 MAR 22 PM 2:23

SC PUBLIC SERVICE
COMMISSION

STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth's Response to Petition for Rehearing or Reconsideration of SCCTA in Docket No. 2001-209-C, to be served by the method indicated below upon the following this March 22, 2002:

Elliott F. Elam, Jr., Esquire
S. C. Department of Consumer Affairs
3600 Forest Drive, 3rd Floor
Post Office Box 5757
Columbia, South Carolina 29250-5757
(Consumer Advocate)
(U. S. Mail and Electronic Mail)

L. Hunter Limbaugh, Esquire
1426 Main Street
Suite 1301
Columbia, South Carolina 29201
(AT&T)
(U. S. Mail and Electronic Mail)

Florence P. Belser, Esquire
Deputy General Counsel
S. C. Public Service Commission
Post Office Box 11649
Columbia, South Carolina 29211
(PSC Staff)
(U. S. Mail and Electronic Mail)

Russell B. Shetterly, Esquire
Haynsworth Sinkler Boyd, P.A.
1201 Main Street
Suite 2400
Columbia, South Carolina 29201-3226
(Knology of Charleston and Knology of
South Carolina, Inc.)
(U. S. Mail and Electronic Mail)

Darra W. Cothran, Esquire
Woodward, Cothran & Herndon
1200 Main Street, 6th Floor
Post Office Box 12399
Columbia, South Carolina 29211
(MCI WorldCom Network Service, Inc.
MCI WorldCom Communications and
MCI metro Access Transmission Services,
Inc.)
(U. S. Mail and Electronic Mail)

John F. Beach, Esquire
John J. Pringle, Jr., Esquire
Beach Law Firm
1321 Lady Street, Suite 310
Post Office Box 11547
Columbia, South Carolina 29211-1547
(Resort Hospitality Services, Inc.,
NuVox Communications, Inc. and AIN)
(U. S. Mail and Electronic Mail)

Marsha A. Ward, Esquire
Kennard B. Woods, Esquire
MCI WorldCom, Inc.
Law and Public Policy
6 Concourse Parkway, Suite 3200
Atlanta, Georgia 30328
(MCI)
(U. S. Mail and Electronic Mail)

Frank R. Ellerbe, Esquire
Bonnie D. Shealy, Esquire
Robinson, McFadden & Moore, P.C.
1901 Main Street, Suite 1500
Post Office Box 944
Columbia, South Carolina 29202
(NewSouth Communications Corp., SCCTA
and SECCA and KMC Telecom III, Inc.)
(U. S. Mail and Electronic Mail)

Genevieve Morelli
Andrew M. Klein
Kelley, Drye & Warren, LLP
1200 19th Street, N.W.
Washington, D.C. 20036
(KMC Telecom III, Inc.)
(U. S. Mail and Electronic Mail)

John D. McLaughlin, Jr.
Director, State Government Affairs
KMC Telecom, Inc.
1755 North Brown Road
Lawrenceville, GA 30043
(KMC Telecom)
(U. S. Mail and Electronic Mail)

Jack H. Derrick
Senior Attorney
141111 Capital Blvd.
Wake Forest, NC 27587-5900
(Sprint/United Telephone)
(U. S. Mail and Electronic Mail)

Scott A. Elliott, Esquire
Elliott & Elliott
721 Olive Street
Columbia, South Carolina 29205
(Sprint/United Telephone)
(U. S. Mail and Electronic Mail)

Marty Bocock, Esquire
Director of Regulatory Affairs
1122 Lady Street, Suite 1050
Columbia, South Carolina 29201
(Sprint/United Telephone Company)
(U. S. Mail and Electronic Mail)

Faye A. Flowers, Esquire
Parker Poe Adams & Bernstein LLP
1201 Main Street, Suite 1450
Columbia, South Carolina 29202
(US LEC)
(U. S. Mail and Electronic Mail)

William R. Atkinson, Esquire
3100 Cumberland Circle
Cumberland Center II
Atlanta, Georgia 30339-5940
(Sprint Communications Company L.P.)
(U. S. Mail and Electronic Mail)

Andrew O. Isar
Director - State Affairs
7901 Skansie Avenue, Suite 240
Gig Harbor, WA 98335
(ASCENT)
(U. S. Mail and Electronic Mail)

Nanette Edwards, Esquire
ITC^DeltaCom Communications, Inc.
4092 S. Memorial Parkway
Huntsville, Alabama 25802
(U. S. Mail and Electronic Mail)

Timothy Barber, Esquire
Womble, Carlyle, Sandridge & Rice
3300 One First Union Center
301 South College
Suite 3300
Charlotte, North Carolina 20202
(AT&T)
(U. S. Mail and Electronic Mail)

Thomas Lemmer, Esquire
McKenna & Cuneo, LLP
370 Seventeenth Street, Suite 4800
Denver, CO 80202
(AT&T)
(U. S. Mail and Electronic Mail)

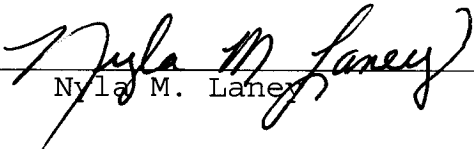
Traci Vanek, Esquire
McKenna & Cuneo, LLP
1900 K Street, N.W.
Washington, DC 20006
(AT&T)
(U. S. Mail and Electronic Mail)

Tami Azorsky, Esquire
McKenna & Cuneo, LLP
1900 K Street, N.W.
Washington, DC 20006
(AT&T)
(U. S. Mail and Electronic Mail)

Michael Hopkins, Esquire
McKenna & Cuneo, LLP
1900 K Street, N.W.
Washington, DC 20006
(AT&T)
(U. S. Mail and Electronic Mail)

William Prescott, Esquire
1200 Peachtree Street, N.E.
Suite 8100
Atlanta, Georgia 30309
(AT&T)
(U. S. Mail and Electronic Mail)

John A. Doyle, Jr., Esquire
Parker, Poe, Adams & Bernstein, L.L.P.
150 Fayetteville Street Mall, Suite 1400
Raleigh, North Carolina 27602
(US LEC of South Carolina)
(U. S. Mail and Electronic Mail)



Nyla M. Laney

PC Docs # 401224